

## Presentation Materials

**FY2016 Consolidated Results (The 82nd Period)**

**FY2017 Consolidated Forecast**



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### Foot-note on Forecast

Any contents in this brochure are based on various assumptions, and neither promise nor guarantee the indicated results of forecast or realization of any management issue.

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# 1. Second Three Year Plan (FY2016-2018) & Consolidated Results

## Progress of the second three year plan(2016-2018)

■ The second three year plan started slower than expected, due to temporary drop of construction activities in Japan. The Group will catch up with the original plan in FY2017.

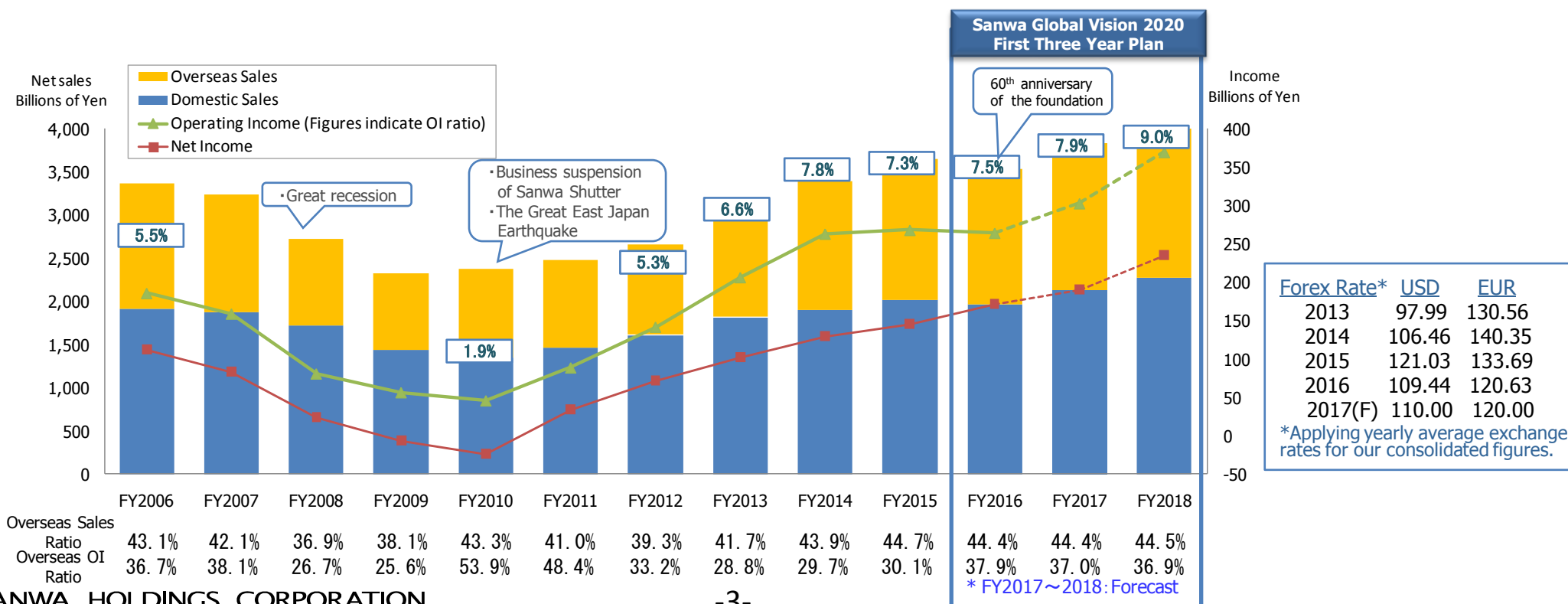
- Japanese business : Expected to recover to the original growth rate in FY2017 driven by outstanding order intake.
- USA & EU business : Operating Income exceeded ¥10Bln in total, good progress.
- Asian business : Turned a good profit, to a new stage of securing profitability from establishing business base.
- Stock buyback : Expected increase of dividends for six consecutive periods. Announced up to ¥5Bln stock buy-back.

	FY2018 Target
Net Sales	¥410Bln
Operating Income	¥37Bln
Operating Income ratio	¥9.0%
ROE *1	15.0%
SVA *2	12.8Bln
Shareholders' Equity Ratio	42.0%
Debt-Equity Ratio	0.40

\*1 Shareholder's equity cost assumed to be around 8%

\*2 Calculated the weighted average cost of capital 6% and corporate tax rate 40%

\*3 2018 Forex rate: 1USD=110 yen , 1EUR=125 unchanged from original FX



## 2. Business Environment (Japan, USA, Europe)

### ■ Business Environment

			2013		2014		2015		2016				2017		2018	
									Current Result		Revised Forecast		Forecast		Forecast	
Japan	Housing Starts	k units	987	10.6%	880	-10.8%	921	4.6%	974	5.8%	941	2.2%	937	-3.8%	935	-0.2%
	Non-res construction areas	k m <sup>2</sup>	47,679	7.0%	45,013	-5.6%	44,278	-1.6%	45,299	2.3%	45,746	3.3%	44,999	-0.7%	46,484	3.3%
	Private-sector capital investment	JPY bn	77,176	7.0%	79,045	2.4%	79,537	0.6%	81,525	2.5%	79,457	-0.1%	83,890	2.9%	86,658	3.3%
USA	Housing starts	k units	925	18.5%	1,003	8.4%	1,112	10.8%	1,174	5.6%	1,180	6.1%	1,280	9.0%	1,360	6.3%
	Existing Home Sales	k units	5,090	9.2%	4,940	-2.9%	5,250	6.3%	5,450	3.8%	5,358	2.1%	5,573	2.3%	5,759	3.3%
	Non-res construction areas	m sq ft	813	12.6%	920	13.2%	890	-3.3%	882	-0.9%	843	-5.3%	937	6.2%	1,009	7.7%
	Capital investment	USD bn	2,033	3.5%	2,156	6.0%	2,200	2.1%	2,189	-0.5%	2,189	-0.5%	2,232	2.0%	2,288	2.5%
EU	Housing completions(4 countries)	k units	763	-1.8%	779	2.1%	751	-3.6%	748	-0.4%	807	7.5%	786	5.1%	828	5.3%
	Non-res investment(4 countries)	EUR m	88,910	-0.9%	84,286	-5.2%	82,922	-1.6%	84,427	1.8%	84,442	1.8%	86,360	2.3%	87,564	1.4%
Germany	Housing completions	k units	188	6.7%	216	14.7%	217	0.3%	260	20.0%	260	20.0%	275	5.8%	285	3.6%
	Non-res investment	EUR m	31,785	3.8%	30,895	-2.8%	30,741	-0.5%	31,356	2.0%	30,541	-0.7%	31,669	1.0%	31,353	-1.0%

※EU(4 countries) include Germany, France, Italy and the Netherlands.

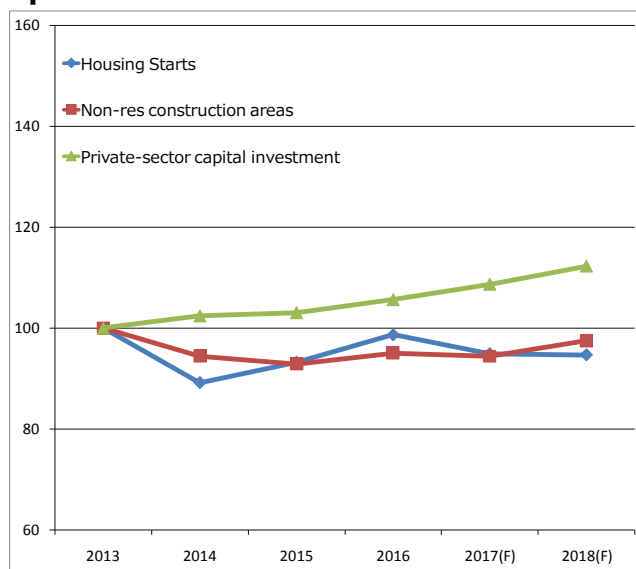
※Ref:(JPN) MLIT Apr 2016, R.I.C.E. Jan 2017, (US) Blue Chip Economic Indicators Jan 2017, National Association of Realtors Dec 2016, McGraw Hill Jan 2017, (EU)Euroconstruct Nov 2016.

Capital investment in JPN/US from NLI Research Institute.

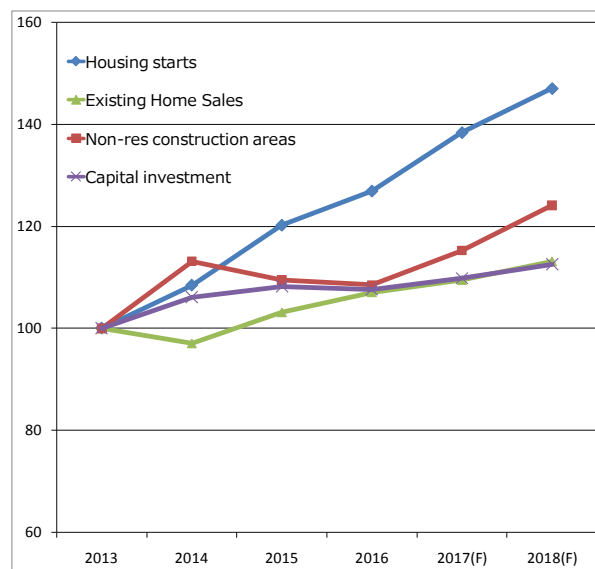
※FY basis in JPN(Apr-March), US/EU on CY basis(Jan-Dec)

### ■ Change in Business Environment (2013=100)

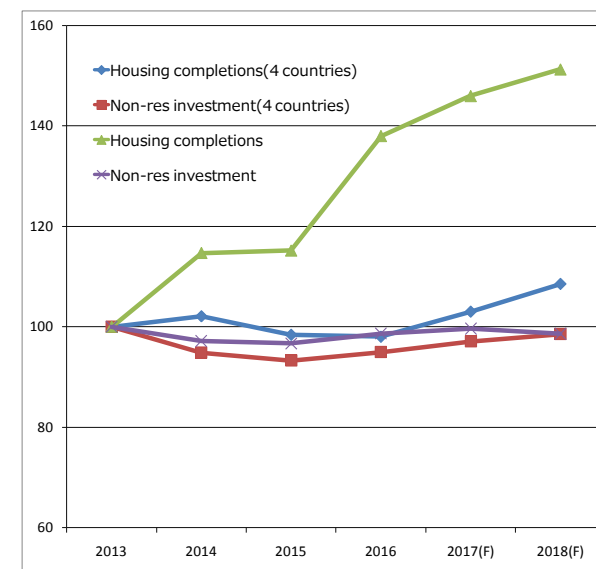
#### Japan



#### USA



#### EU



## **■ FY2016 Consolidated Results**

### **April 2016 – March 2017**



## 《Consolidated Results》

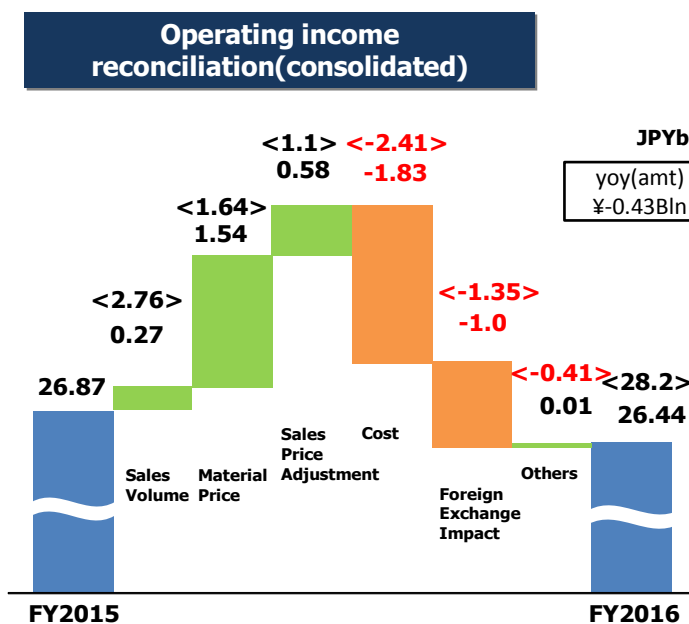
【assumed forex rate same as FY2015】

	FY2016 Actual	FY2016 Forecast	Variance vs. Revised F (amt)	FY2015 Actual	Variance vs. FY2015 (amt)	Variance vs. FY2015 (%)
<b>Net Sales</b>	¥353.9Bln 【¥370.7Bln】	¥357.0Bln	¥-3.1Bln (-0.9%)	¥365.6Bln	¥-11.7Bln 【¥+5.1Bln】	-3.2% 【+1.4%】
<b>Operating Income</b>	¥26.44Bln 【¥27.51Bln】	¥28.20Bln	¥-1.76Bln (-6.2%)	¥26.87Bln	¥-0.43Bln 【¥+0.64Bln】	-1.6% 【+2.4%】
<b>Ordinary Income</b>	¥25.28Bln 【¥26.28Bln】	¥27.50Bln	¥-2.22Bln (-8.1%)	¥26.16Bln	¥+0.88Bln 【¥+0.12Bln】	-3.4% 【+0.4%】
<b>Net Income attributable to owners of the parent company</b>	¥17.07Bln 【¥17.69Bln】	¥16.70Bln	¥+0.37Bln (+2.2%)	¥14.63Bln	¥+2.44Bln 【¥+3.07Bln】	+16.7% 【+21.0%】

## 《Key points of FY2016 Result》

<b>〈Summary〉</b>	FY2016 consolidated Net Sales, Operating Income, and Ordinary Income were lower than FY2015 and Forecast but Net Income higher than forecast and FY2015 and posted record high. Its consolidated Net Sales and Incomes were higher than FY2015 if assumed forex rate same as FY2015.
<b>Net sales</b>	Sanwa Shutter and Japanese subsidiaries were unfavorable to forecast. Overhead Door Corporation(USA) was unfavorable slightly vs. forecast but exceeded LY on a local currency basis. Novoform(EU) was higher than forecast with acquisition effect. Consolidated net sales was slightly less than forecast.
<b>Operating income</b>	Consolidated operating income was lower than FY2015 and forecast due to Japanese business. Despite the control of cost and the impact of yen depreciation more than expected, it couldn't make up for the difference.
<b>Current income</b>	Consolidated current income was lower than FY2015 and forecast. Non-operating profit/loss declined by 0.45 billion yen due to decrease in profit of equity-method affiliates.
<b>Net Income attributable to owners of the parent company</b>	Consolidated net income significantly increased by 2.44 billion yen vs. FY2015 and 0.37 billion yen vs. forecast driven by decrease of special losses.

Forex Rate	2015	2016	2017(F)
1USD	120.48	109.44	110.00
1EUR	133.69	120.63	120.00



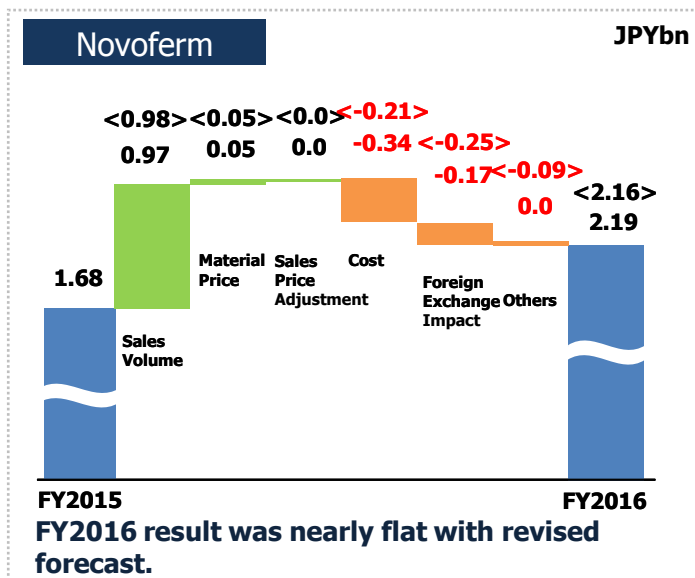
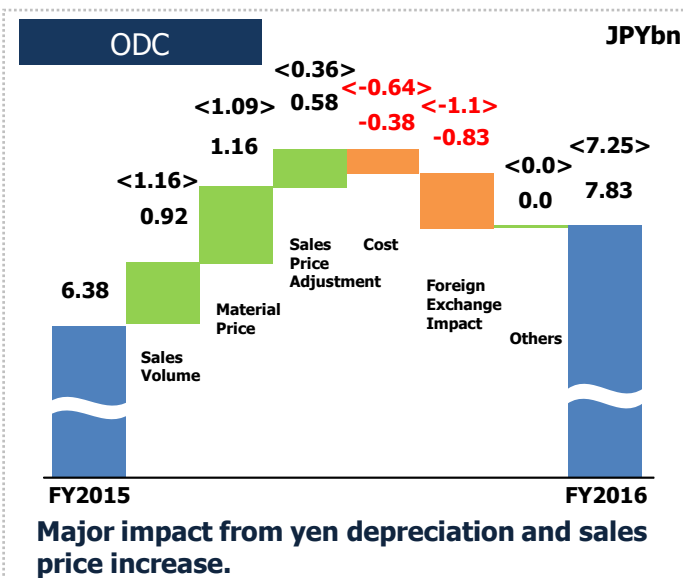
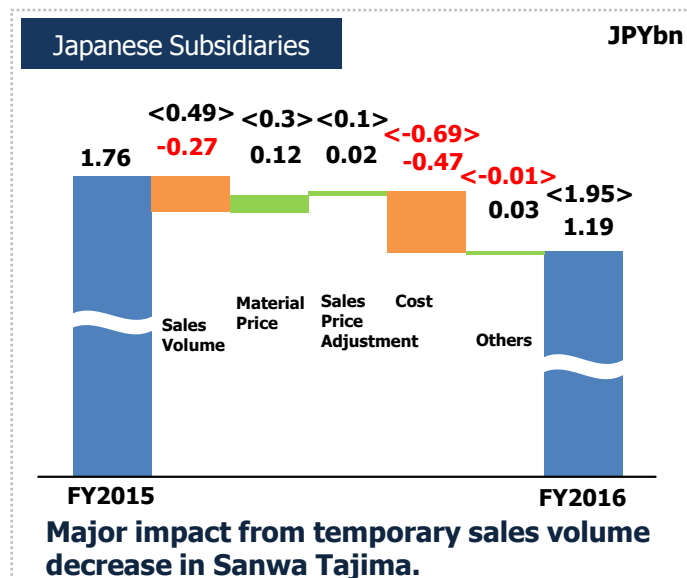
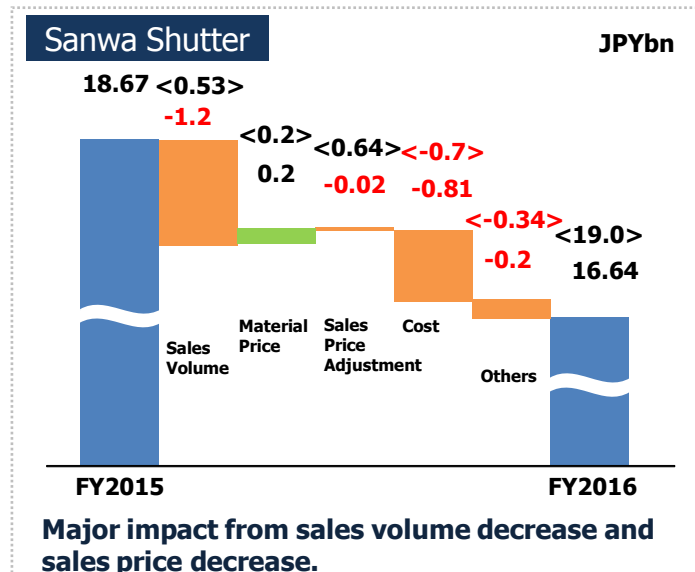
【 assumed forex rate same as FY2015】

Net Sales	FY2015 Actual	FY2016 Actual	Variance vs. FY2015 (amt)	Variance vs. FY2015 (%)	Key Points
<b>Consolidated</b>	¥365.6Bln	¥353.9Bln 【¥370.7Bln】	¥-11.7Bln 【¥+5.1Bln】	-3.2 【+1.4】	The impact of fluctuation in foreign exchange rates: -16.8 billion yen
<b>Sanwa Shutter</b>  ※refer to page 25	¥180.2Bln	¥176.2Bln	¥-3.9Bln	-2.2	①Lightweight shutters decreased by 3.2% due to decreased for non-residential projects. ②Heavy-duty shutters decreased by 5.0% due to decreased non-residential projects such as stores and office. ③Building/Condominium doors decreased by 4.5% due to decreased for medical facilities. ④Maintenance service increased by 6.4% driven by increased corporate customers' maintenance & inspection contracts. ⑤Partitions increased by 3.6% driven by toilet booths line-up expansion.
<b>Japanese Subsidiaries</b>	¥30.8Bln	¥30.5Bln	¥-0.3Bln	-1.1	①Showa Front increased by 2.3%. ②Okinawa Sanwa increased by 3.4%. ③Sanwa Tajima decreased significantly by 11.8%. ④Venix increased slightly by 0.4%. ⑤Sanwa EX Niigata increased drastically by 21.0%.
<b>ODC (USA)</b>  ※refer to page 26  <i>FX (\$)</i>	¥110.1Bln <i>\$910M</i>  <i>(¥121.03)</i>	¥103.8Bln <i>\$948M</i>  <i>(¥109.44)</i>	¥-6.3Bln <i>+\$39M</i>	-5.7 <i>+4.2</i>	①Doors increased by 7.2% driven mainly by continuing strong Garage sales. ②Installation & Services increased by 2.2% driven by strong Nation Serve (USA) sales. ③Operators decreased by 5.3% due to slump in retail business. ④Automatic doors increased by 12.7% driven by strong sales at Door services division. ⑤Truck doors decreased by 0.5% due to weak demand.
<b>Novoferm (EU)</b> ※refer to page 27 <i>FX (€)</i>	¥53.3Bln <i>€399M</i> <i>(¥133.69)</i>	¥53.4Bln <i>€443M</i> <i>(¥120.63)</i>	¥+0.1Bln <i>+€44M</i>	+0.2 <i>+11.0</i>	①Hinge doors increased by 12.1% driven by strong new products sales. ②Garage doors increased by 2.6% driven by recovery of residential market. ③Industrial doors increased by 16.9% driven by good performance of Alpha as well as Norsurd acquisition.

Operating Income	FY2015 Actual	Operating Income Ratio(%)	FY2016 Actual	Operating Income Ratio(%)	Variance vs. FY2015 (amt)	Variance Vs. FY2015 (%)
<b>Consolidated</b>	¥26.87Bln	7.3	¥26.44Bln 【¥27.51Bln】	7.5	¥-0.43Bln 【¥+0.64Bln】	-1.6 【+2.4】
<b>Sanwa Shutter</b>	¥18.67Bln	10.4	¥16.64Bln	9.4	¥-2.03Bln	-10.9
<b>Japanese Subsidiaries</b>	¥1.76Bln	5.7	¥1.19Bln	3.9	¥-0.57Bln	-32.5
<b>ODC (USA)</b> <i>FX (\$)</i>	¥6.38Bln <i>\$52.7M</i> <i>(¥121.03)</i>	5.8	¥7.83Bln <i>\$71.5M</i> <i>(¥109.44)</i>	7.5	¥+1.45Bln <i>+\$18.8M</i>	+22.7 <i>+35.6</i>
<b>Novoferm (EU)</b> <i>FX (€)</i>	¥1.68Bln <i>€12.6M</i> <i>(¥133.69)</i>	3.1	¥2.19Bln <i>€18.1M</i> <i>(¥120.63)</i>	4.1	¥+0.51Bln <i>+€5.6M</i>	+30.3 <i>+44.4</i>

【assumed forex rate same as FY2015】

< > shows the original forecast





**■ FY2017 Consolidated Forecast**  
**April 2017 – March 2018**



## 《Consolidated Results》

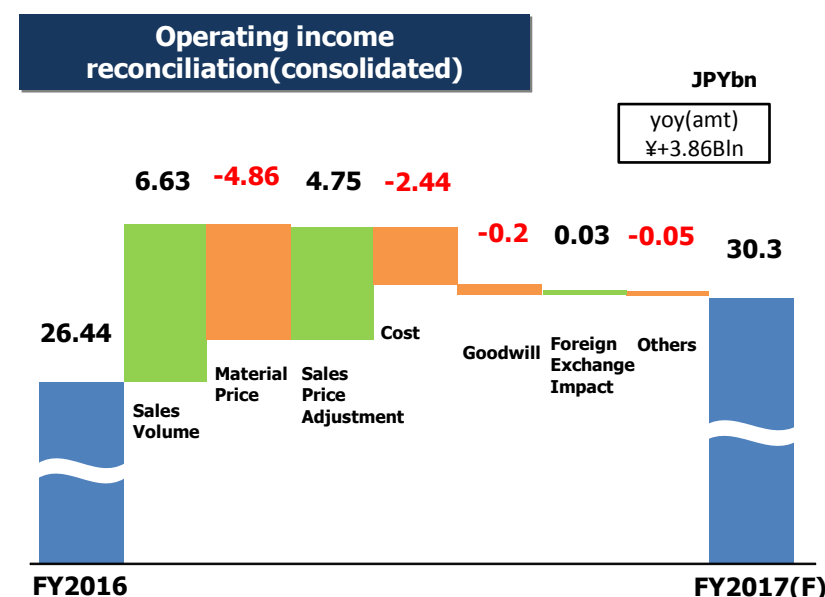
【assumed forex rate same as FY2016】

	FY2017 Forecast	1H	2H	FY2016 Actual	Variance vs. FY2016 (amt)	Variance vs. FY2016 (%)
<b>Net Sales</b>	¥383.0Bln 【¥382.7Bln】	¥170.5Bln	¥212.5Bln	¥353.9Bln	¥+29.1Bln 【¥+28.8Bln】	(+8.2%) 【+8.1%】
<b>Operating Income</b>	¥30.30Bln 【¥30.27Bln】	¥8.20Bln	¥22.10Bln	¥26.44Bln	¥+3.86Bln 【¥+3.83Bln】	(+14.6%) 【+14.5%】
<b>Current Income</b>	¥29.70Bln 【¥29.67Bln】	¥7.80Bln	¥21.90Bln	¥25.28Bln	¥+4.42Bln 【¥+4.39Bln】	(+17.5%) 【+17.4%】
<b>Net Income attributable to owners of the parent company</b>	¥19.20Bln 【¥19.18Bln】	¥4.80Bln	¥14.40Bln	¥17.07Bln	¥+2.13Bln 【¥+2.11Bln】	(+12.5%) 【+12.4%】

Forex Rate	2015	2016	2017(F)
1USD	120.48	109.44	110.00
1EUR	133.69	120.63	120.00

## 《Key Points of FY2017 Forecast》

<b>《Summery》</b>	Both net sales and profits expected to hit record high. Japanese business to recover in 2nd half of FY2017 thanks to recovery of delay in completion. Europe & USA business to continue to grow steadily.
<b>Net Sales</b>	Expected to increase in all sectors. Japanese business expected to increase installation according to outstanding order intake and increase demand of inspection. Europe and USA business expected favorable markets.
<b>Operating Income</b>	Expected to increase drastically driven mainly by sales volume increase. Reduce impact of material price increase in each sector by sales price increase and cost reduction with productivity improvement.
<b>Current Income</b>	Expected to increase drastically driven by improvement in profit of equity method affiliate of 0.7 billion.
<b>Net Income attributable to owners of the parent company</b>	Expected to increase significantly without any big special items.



## 7. Net Sales (by Sector)

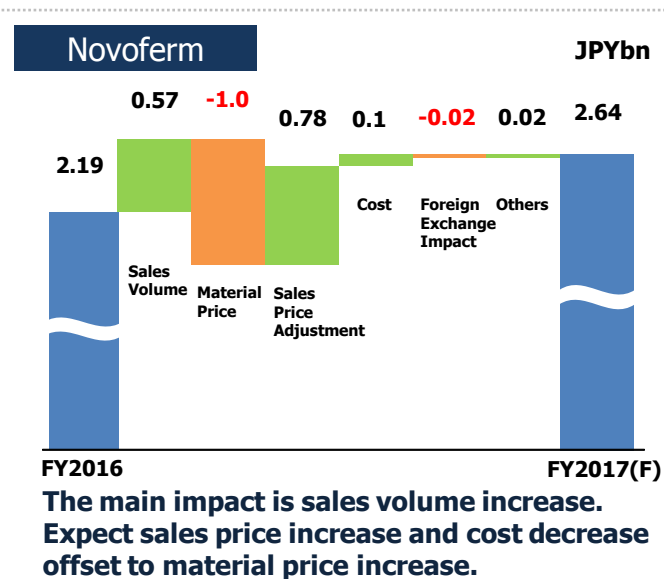
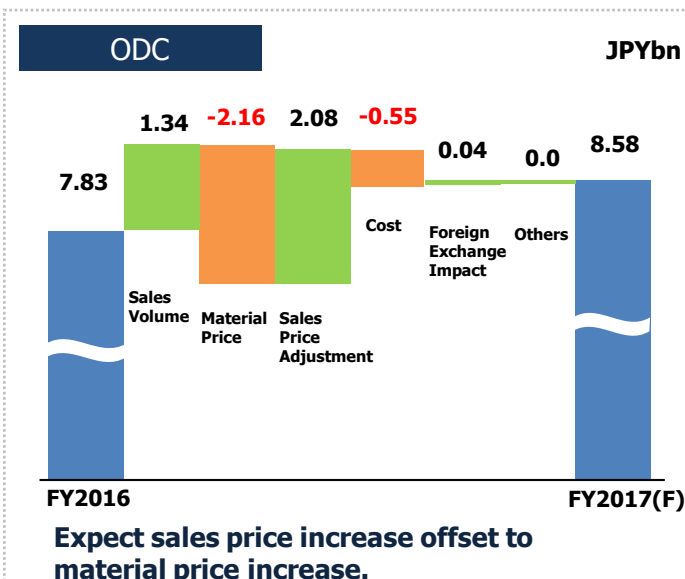
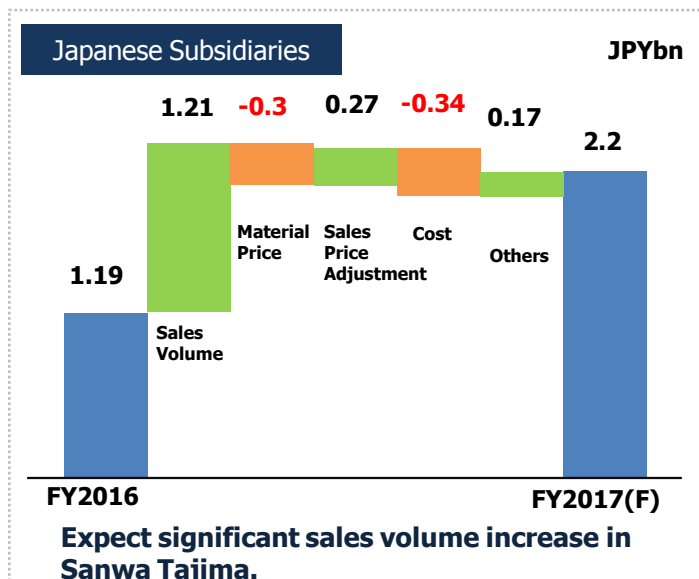
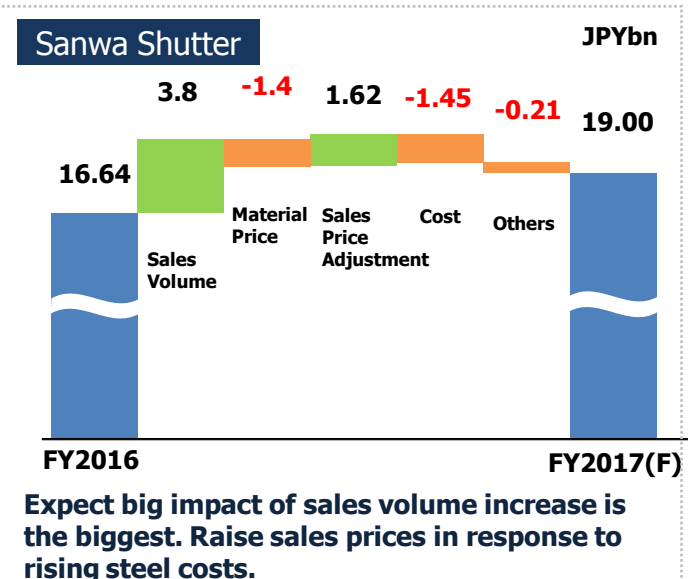
FY2017 Forecast

【assumed forex rate same as FY2016】

Net Sales	FY2016 Actual	FY2017 Forecast	Variance vs. FY2016 (amt)	Variance vs. FY2016 (%)	Key Points
<b>Consolidated</b>	¥353.9Bln	¥383Bln 【¥382.7Bln】	¥+29.1Bln 【¥+28.8Bln】	+8.2 【+8.1】	The impact of fluctuation in foreign exchange rates: -0.3 billion yen.
<b>Sanwa Shutter</b>  ※refer to page 25	¥176.2Bln	¥189.6Bln	¥+13.4Bln	+7.6	①Lightweight shutters to increase by 4.9% driven by recovery of stores and warehouse projects. ②Heavy-duty shutters to increase by 8.7% driven by strong sales from outstanding order. ③Building/Condominium doors to increase by 11.0% driven by recovery of office construction. ④Maintenance service to increase by 17.0% driven by being full-scale implementation of legal inspection. ⑤Partitions to increase by 7.2% supported by the synergy of Sanwa Spindle Partition acquisition.
<b>Japanese Subsidiaries</b>	¥30.5Bln	¥35.6Bln	¥+5.1Bln	+16.7	Expected to increase considerably driven by the recovery of outstanding orders in Sanwa Tajima and Sanwa Spindle Partition acquisition.
<b>ODC (USA)</b>  ※refer to page 26  <i>FX (\$)</i>	¥103.8Bln <i>\$948M</i>  (¥109.44)	¥110.9Bln <i>\$1,008M</i>  (¥110.00)	¥+7.1Bln <i>+\$60M</i>	+6.9 <i>+6.3</i>	①Doors to increase by 6.3% driven by favorable residential market and recovery of commercial market. ②Installation & Service to increase by 6.3% driven by sales recovery of Canadian business and strong Nation Serve(US) business. ③Operators to increase by 6.7% driven by sales increase at professional-channel. ④Automatic door to increase by 8.4% driven by sales recovery of transit doors business and Door Services. ⑤Truck doors to decrease by 0.8% due to unfavorable market.
<b>Novoferm (EU)</b>  ※refer to page 27  <i>FX (€)</i>	¥53.4Bln <i>€443M</i>  (¥120.63)	¥59.3Bln <i>€494M</i>  (¥120.00)	¥+5.9Bln <i>+€51M</i>	+11.0 <i>+11.5</i>	①Hinge doors to increase by 9.8% driven by increase of big projects. ②Garage doors to increase by 18.2% driven by recovery of Europe market and Novoferm UK acquisition. ③Industrial doors to increase by 8.2% driven by cross-selling effect with Alpha and Norsurd acquisition as well as expansion of dock equipment business.

Operating Income	FY2016 Actual	Operating Income Ratio(%)	FY2017 Forecast	Operating Income Ratio(%)	Variance vs. FY2016 (amt)	Variance vs. FY2016 (%)
<b>Consolidated</b>	¥26.44Bln	7.5	¥30.3Bln 【¥30.27Bln】	7.9	¥+3.86Bln 【¥+3.83Bln】	+14.6 【+14.5】
<b>Sanwa Shutter</b>	¥16.64Bln	9.4	¥19.0Bln	10.0	¥+2.36Bln	+14.2
<b>Japanese Subsidiaries</b>	¥1.19Bln	3.9	¥2.2Bln	6.2	¥+1.01Bln	+85.4
<b>ODC (USA)</b> <i>FX (\$)</i>	¥7.83Bln <i>\$71.5M</i> <i>(¥109.44)</i>	7.5	¥8.58Bln <i>\$78.0M</i> <i>(¥110.00)</i>	7.7	¥+0.75Bln <i>+\$6.5M</i>	+9.6 <i>+9.0</i>
<b>Novoform (EU)</b> <i>FX (€)</i>	¥2.19Bln <i>€18.1M</i> <i>(¥120.63)</i>	4.1	¥2.64Bln <i>€22.0M</i> <i>(¥120.00)</i>	4.5	¥+0.45Bln <i>+€3.9M</i>	+20.7 <i>+21.3</i>

【 assumed forex rate same as FY2016 】



## ■ Progress of Second Three Year Plan

## Maintain the profitability of core products and growth by multi-product sales initiatives

### 1. Strengthening core products

#### Measures to Address Issues in FY2017

- **Labor shortage**: Continue to increase personnel for the high seasons.  
Number of employees: Sanwa Sutter increased to 100 employees vs. FY2015. (March 2017)  
Number of installers: Increased to 3,600 installers totally. (March 2017)
- **Cost increase**: Raise sales prices in response to rising steel and construction costs.
- **Sales increase**: Planned sales from outstanding order expected to recover rapidly from 2nd half of FY2017.

### 2. Promote multi-product sales

#### Promotion of diversified products, following Shutter and Door

- **Partitions**  
⇒ Established Sanwa Spindle Partition in April 2017.
- **Flood preventive shutter**  
⇒ Installed at Kanamecho station (Tokyo Metro Co., Ltd.) in February 2017.  
\*Total of 10 shutters is installed in 3 stations from February 2017.
- **Entrance related products**  
⇒ Introduced Hands Free System for condominiums in May 2017.

### 3. Develop in-house infrastructure

#### Capital expenditure for supporting multi-product sales activities and the high seasons

- **Partition business**  
⇒ Redevelop site of former Osaka plant to expand capacity of Sanwa Spindle Partition and optimize production bases for partitions and wooden sliding doors. (start of operation in FY2018)
- **Production facilities**  
⇒ ① Renovation of painting lines of Ota Door plant and Hiroshima plant.  
② Restructuring of production control system.  
③ Automatic face panel molding line at Hiroshima plant.

### 4. New legal inspection & report for fire-proof equipment

#### Legal inspection has been started since June 2016.

- We will secure qualified 2,000 inspection workers within FY2018.

	2016	2017(F)
Maintenance & Repair Net Sales	¥24.4Bln	¥28.5Bln (+17.0%)

- \*We expect full-scale implementation in FY 2017 from introduction 2nd year.

# Grow the core business with enhancing profit base

## 1.ASD (Access Systems Division)

### ■ Enhance sales channels

#### ① Expansion in major cities

- Enhance distributors
- Enhance sales organization in urban areas.

#### ② Residential garage doors for renovation

- Enhance support for distributors with low proportion of residential sales.
- Strengthen promotional tools and conduct sales training
- Expand our lineup of doors for residential renovation.

#### ③ Commercial Doors

- Strengthen efforts for large-scale projects such as distribution facilities.
- Expand our lineup of high-performance doors.

### ■ Fluctuation in raw material costs and price increase

With the upward trend in steel prices that began last year and is continuing this year, we implemented another price increase in April 2017, following the increase in August 2016.

### ■ The status of new ERP introduction project

⇒ Scheduled to complete in 2021 for door operations.

## 2. Forward Integration Strategy

### ISD (Installation & Service for doors & operators)

In 2016, despite the impact of economic downturn in western Canada, sales increased on brisk demand in the U.S. residential market.

In 2017, we expect further growth by focusing on commercial products and maintenance services.

### Door Services

#### (Installation & Service for automatic doors)

Sales surged in 2016, led by expansion of maintenance services.

In 2017, we expect further sales growth based on stronger customer support and service and parts sales.

## 3. Expand transit door business (Horton)

### Large order intake for Lima metro(Peru)

⇒ About 2,000 metro platform doors in 35 stations.  
(Construction will complete within 2021)

## Establish foundation for profitable growth by implementing “NF3.0”

### 1. Expand hinge door sales

#### Expand sales of hinged doors by strengthening project sales

1. Promote services to design offices and assign dedicated sales people for major customers
2. EU standardization of fire-resistance code partially started in November 2016.  
It will expand lineup of the fire proof doors satisfied with new fire-resistance regulation.

### 2. Expand industrial door business

#### Expand industrial door business through enhancement of production capability for Alpha products & dock equipment products.

1. Cross-selling volume between (existing) Novoferm and Alpha has been growing.
2. Alpha : Ramp up production capacity for sectional doors to accommodate sales growth.
3. New plant construction at Novoferm Door (Poland): Started in-house production of dock equipment in March 2017, aiming for larger market share.
4. Norsurd (France) : Close sectional door factory, and start selling Alpha Deuren's sectional doors.
5. Expansion of orders for large-scale projects : To deal with large-scale distribution centers, strengthen upstream selling to design offices, etc.

### 3. Gain market share of sectional garage doors

#### Expand UK business and Gain market share by differentiation measures for product & customer services

1. Expand UK business : Turned it into a wholly owned subsidiary company, with aiming to further enhance its business throughout Europe.
2. Withdrawal of Unprofitable business : Withdraw from part of the garage door business and redirect resources to other businesses.
3. New operators : Launch a garage door operators made by Novoferm Tormatic featuring a stylish design.



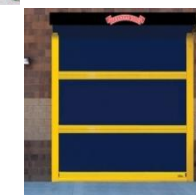
	FY2016		FY2017
	Actual	Revised Forecast	Forecast
Net Sales	¥7.3Bln	¥7.0Bln	¥9.3Bln
Operating Income	¥0.01Bln	¥0.04Bln	¥0.25Bln

- **FY2016 ( total main 6 companies ) was positive turnaround.**
- **Main Objective of FY2017 is to step forward to a new stage for securing profit from establishing business base.**

	FY2016 Actual	FY2017 Forecast
Shanghai BaoSteel-Sanwa	Net sales were on plan. Profits were up vs. FY2015 driven by reduction of costs.	Both sales and profit expected to increase significantly driven by big project (¥0.65Bln).
NF Shanghai	Both sales and profit were down vs. FY2015 due to decrease in order volume affected by the temporary suspension of fireproof door license. It was restored in June 2016.	Both sales and profit expected to increase thanks to restoration of license and increase in order volume cooperated with Shanghai BaoSteel-Sanwa.
Vina-Sanwa (Vietnam)	Both sales and profit were up vs. FY2015 driven by increase in local projects and export business while decreasing Japanese projects.	Both sales and profit expected to increase driven by increase in local projects thanks to favorable Vietnamese economy.
An-Ho Metal (Taiwan)	Both sales and profit were up vs. 2015 driven by sales enhancement for general contractor and increase in order intake cooperated with partner while decreasing Japanese projects.	Production capacity grow with capital investment. Both sales and profit expected to increase driven by a large backlog of order in spite of slowdown in the Taiwanese economy.
Sanwa Shutter (H.K.)	Both sales and profit were up vs. FY2015 driven by increase of maintenance business, while commercial building projects decreased due to decrease in foreign tourists.	Both sales and profit expected to nearly flat vs. FY2016 despite a slowdown economy in Hong Kong affected by decrease in foreign tourists .
Dong Bang NF (South Korea)	Both sales and profit were up vs. FY2015 driven by completion of profitable overseas projects despite slowdown in the Korean economy.	Sales expected to increase driven by completion of profitable overseas projects and increase in fire proof / heat-resistant doors thanks to attain its attestation in Korea. Profit to decrease due to cost of plant relocation.

### Product development targeting to a global market

- Sanwa Shutter launched a garage door for homes "CANDY NEO", using Panels manufactured by Novoferm Group and operator manufactured by ODC (the Genie brand) , in January 2017.
- Overhead Door Corporation launched high performance door, making use of group R&D technology.



### Expand group procurement activities

Promote procurement activities in low cost countries, China in particular, through Sanwa Global Procurement Center (SGPC), a company specialized procurement activities in China.

【Amount of procurement】

FY2016 Actual	\$44M
---------------	-------

### Global sales network

Order intake for Atlas Tower, skyscraper under construction in Jakarta, cooperated between Sanwamas Metal Industry (Indonesia) and Overhead Door Corporation (USA).



## ■ Financial Information Highlight



## 12. Financial Information Highlight ①

### 1. Balance Sheet

Mill Yen

	FY2016		FY2017		
	Mar.	% to total	Mar.	% to total	Y/Y(amt)
Current Assets	188,575	60.8%	198,077	61.2%	9,502
Cash & Cashables	41,516	13.4%	56,290	17.4%	14,774
AR s. & Inventories	130,087	41.9%	128,734	39.8%	-1,353
Fixed Assets	121,693	39.2%	125,315	38.8%	3,622
Financial Investments	21,314	6.9%	27,183	8.4%	5,869
Total Assets	310,269		323,393		13,124
Financial Debts	70,797	22.8%	74,739	23.1%	3,942
(Debt/Equity Ratio)	0.54		0.53		
Other Liabilities	109,138	35.2%	108,749	33.6%	-389
Equities	130,334	42.0%	139,905	43.3%	9,571
currency exchange adjustment	13,649		10,806		-2,843

■ Issue of bonds 10 billion yen.

■ Increase of low-risk securities.

■ Issue bonds and repayment of the loans.

### 2. Extraordinary gain & loss

Mill Yen

	FY2016		FY2017 Forecast
	Actual	Revised Forecast	
Fixed asset disposal	-158	-100	-150
Write-down of securities	-18	-100	0
restructuring expenses of subsidiaries	-484	-1,000	-200
Others	-51	-18	0
Extraordinary loss (total)	-711	-1,218	-350
Extraordinary gain (total)	798	18	200
Extraordinary gain & loss	87	-1,200	-150

## 12. Financial Information Highlight ②

### 3. Free cash flow

Mill Yen

	FY2016	yoy	FY2017(F)	yoy
Net income before income taxes and minority interests	25,365	1,625	29,550	4,185
Depreciation & Amortization	7,290	-732	8,315	1,025
Amortization of goodwill	1,332	-82	1,535	203
Income taxes paid	-9,299	-1,493	-9,771	-472
Working Capital	-165	4,126	169	334
Other	-853	-4,152	0	853
Net cash provided by operating activities	23,670	-708	29,798	6,128
Net cash provided by investing activities	-8,006	7,635	-13,281	-5,275
FCF (Operating CF+Investing CF)	15,664	6,927	16,517	853
Net cash provided by financing activities	-838	24,864	-20,349	-19,511
Cash and Cash Equivalents, End of Year	56,291	14,775	52,459	-3,832

#### ■ The policy for free cash flow allocation

The highest priority is to allocate FCF except dividend paid for strategic investment (M&A ,strategic capital investment)

#### Investment CF (FY2017 forecast) : breakdown of ¥13.3Bln

- Capital investment for maintenance(¥-6.0Bln)
- Strategic investment(¥-5.0Bln)
- Other investment(¥-2.3Bln)

#### Financial CF (FY2017 forecast) : breakdown of ¥20.3Bln

- Dividend(¥-6.4Bln)
- Share buyback(¥-5.0Bln)
- Payment of Financial Debts(¥-8.9Bln)

### 4. Stock buyback

#### ① Dividend

##### ■ FY2016 Year-end dividend

¥13: unchanged from original forecast (Interim: ¥12, Year end: ¥25)

##### ■ FY2017 Annual dividend forecast

will be ¥30, ¥5 higher than 2016 (Interim: ¥15, Year end: ¥15)

\*payout ratio:35% is the target

#### ② Share buyback

##### ■ Announced to repurchase its own stock up to 5 billion yen

Return a part of FCF to stockholders considering projection of FCF during FY2016-2018.

\*The policy for cash flow allocation : Strategic investment is the highest policy

## ◆ Appendix

# 1. Outline of Consolidated Results by Sector

(JPYm・USDk・EURk)

	FY2015						FY2016						FY2017 (F)						
	1H			Full Year			1H			Full Year			1H			Full Year			
	(\$120.48 €133.83)	profit ratio	Y/Y	(\$121.03 €133.69)	profit ratio	Y/Y	(\$111.80 €124.36)	profit ratio	Y/Y	Revised F (\$105.00 €120.00)	(\$109.44 €120.63)	profit ratio	Y/Y	(\$110.00 €120.00)	profit ratio	Y/Y	(\$110.00 €120.00)	profit ratio	Y/Y
Net Sales	160,926		9.9	365,615		7.8	160,457		-0.3	357,000	353,922		-3.2	170,500		6.3	383,000		8.2
<small>[assumed forex rate same as the previous year]</small>							[166,326]		[3.4]		[370,695]		[1.4]	[172,409]		[7.4]	[382,747]		[8.1]
Sanwa Shutter	75,928		5.5	180,157		6.3	75,235		-0.9	182,000	176,248		-2.2	79,700		5.9	189,600		7.6
Japanese Subsidiaries	12,984		5.9	30,822		5.9	13,441		3.5	32,000	30,497		-1.1	14,900		10.9	35,600		16.7
ODC (U.S.A.)	\$426,234		0.1	\$909,573		-1.7	\$447,155		4.9	\$952,000	\$948,110		4.2	\$477,000		6.7	\$1,008,000		6.3
	51,352		18.0	110,085		11.8	49,991		-2.6	99,960	103,761		-5.7	52,470		5.0	110,880		6.9
Novoform (Europe)	€ 182,355		15.6	€398,902		12.0	€ 209,928		15.1	€ 439,000	€442,872		11.0	€ 241,000		14.8	€494,000		11.5
	24,404		10.6	53,329		6.7	26,106		7.0	52,680	53,423		0.2	28,920		10.8	59,280		11.0
Operating Income	6,051	3.8	-15.3	26,870	7.3	2.0	7,976	5.0	31.8	28,200	26,440	7.5	-1.6	8,200	4.8	2.8	30,300	7.9	14.6
<small>[assumed forex rate same as the previous year]</small>							[8,237]		[36.1]		[27,506]		[2.4]	[8,278]		[3.8]	[30,270]		[14.5]
Sanwa Shutter	5,601	7.4	6.9	18,674	10.4	6.6	5,179	6.9	-7.5	19,000	16,641	9.4	-10.9	5,200	6.5	0.4	19,000	10.0	14.2
Japanese Subsidiaries	392	3.0	-12.5	1,758	5.7	4.5	305	2.3	-22.0	1,950	1,186	3.9	-32.5	295	2.0	-3.6	2,200	6.2	85.4
ODC (U.S.A.)	\$7,960		-48.6	\$52,747		-10.9	\$22,237		179.3	\$69,000	\$71,548		35.6	\$25,000		12.4	\$78,000		9.0
	959	1.9	-39.4	6,383	5.8	1.3	2,486	5.0	159.2	7,245	7,830	7.5	22.7	2,750	5.2	10.6	8,580	7.7	9.6
Novoform (Europe)	-€901		< - >	€12,561		17.2	€ 7,083		< + >	€ 18,000	€18,134		44.4	€ 7,500		5.9	€22,000		21.3
	-120	-0.5	< - >	1,679	3.1	11.6	880	3.4	< + >	2,160	2,187	4.1	30.3	900	3.1	2.2	2,640	4.5	20.7
Current Income	5,640	3.5	-17.4	26,161	7.2	0.7	7,207	4.5	27.8	27,500	25,278	7.1	-3.4	7,800	4.6	8.2	29,700	7.8	17.5
<small>[assumed forex rate same as the previous year]</small>							[7,450]		[32.1]		[26,277]		[0.4]	[7,869]		[9.2]	[29,672]		[17.4]
Sanwa Shutter	5,688	7.5	4.7	18,852	10.5	3.3	5,257	7.0	-7.6	19,150	16,817	9.5	-10.8	5,300	6.6	0.8	19,100	10.1	13.6
Japanese Subsidiaries	405	3.1	-14.5	1,803	5.9	3.7	336	2.5	-17.1	2,000	1,238	4.1	-31.3	315	2.1	-6.3	2,240	6.3	80.8
ODC (U.S.A.)	\$6,196		-59.2	\$49,605		-13.7	\$21,452		246.2	\$66,000	\$68,157		37.4	\$22,600		5.4	\$73,000		7.1
	746	1.5	-52.0	6,003	5.5	-1.9	2,398	4.8	221.3	6,930	7,459	7.2	24.2	2,486	4.7	3.7	8,030	7.2	7.7
Novoform (Europe)	-€1,595		< - >	€11,053		5.8	€ 6,010		< + >	€ 15,500	€16,049		45.2	€ 6,600		9.8	€20,000		24.6
	-213	-0.9	< - >	1,477	2.8	0.8	747	2.9	< + >	1,860	1,935	3.6	31.0	792	2.7	6.0	2,400	4.0	24.0
Other Affiliates	-91		< + >	-176		< + >	-627		< - >	-540	-566		< - >	-98		< + >	135		< + >
Net income attributable to owners of the parent	3,226	2.0	-1.8	14,627	4.0	13.8	4,003	2.5	24.1	16,700	17,070	4.8	16.7	4,800	2.8	19.9	19,200	5.0	12.5
<small>[assumed forex rate same as the previous year]</small>							[4,142]		[28.4]		[17,693]		[21.0]	[4,851]		[21.2]	[19,183]		[12.4]
Sanwa Shutter	3,786	5.0	10.8	12,808	7.1	9.1	3,582	4.8	-5.4	12,840	11,863	6.7	-7.4	3,500	4.4	-2.3	12,900	6.8	8.7
Japanese Subsidiaries	275	2.1	0.5	1,203	3.9	22.9	187	1.4	-31.8	1,300	850	2.8	-29.4	115	0.8	-38.7	1,375	3.9	61.7
ODC (U.S.A.)	\$3,733		-61.8	\$30,857		-14.9	\$13,876		271.7	\$42,000	\$44,311		43.6	\$14,300		3.0	\$46,500		4.9
	449	0.9	-55.0	3,734	3.4	-3.3	1,551	3.1	244.9	4,410	4,849	4.7	29.8	1,573	3.0	1.4	5,115	4.6	5.5
Novoform (Europe)	-€1,729		< + >	€5,961		57.9	€1,946		< + >	€7,000	€8,365		40.3	€5,700		192.9	€15,000		79.3
	-231	-0.9	< + >	796	1.5	50.4	242	0.9	< + >	840	1,009	1.9	26.6	684	2.4	182.6	1,799	3.0	78.3
Other Affiliates	-91		< + >	-176		< + >	-627		< - >	-540	-566		< - >	-98		< + >	135		< + >

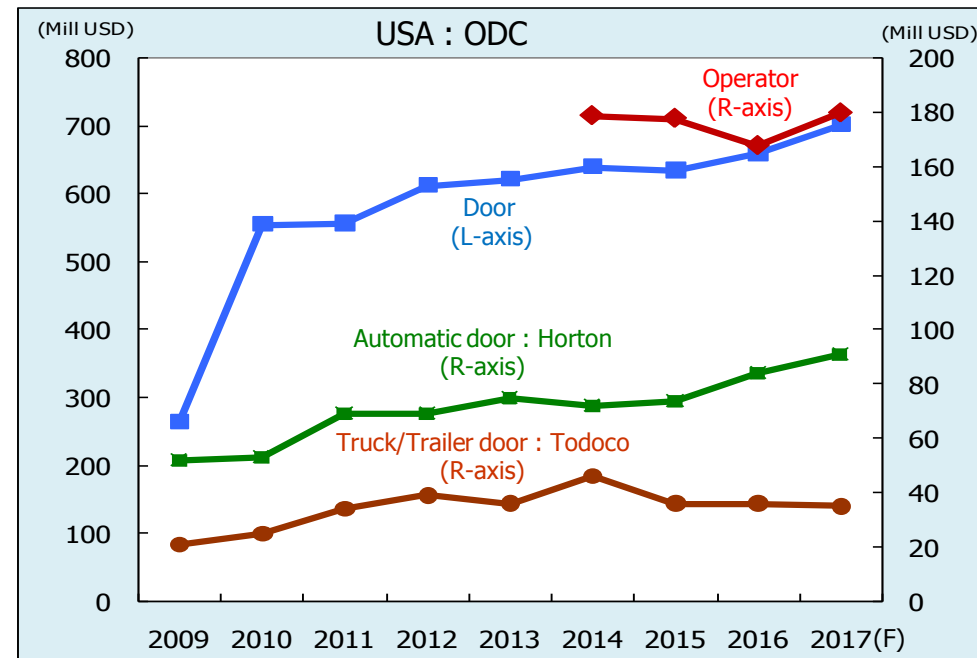
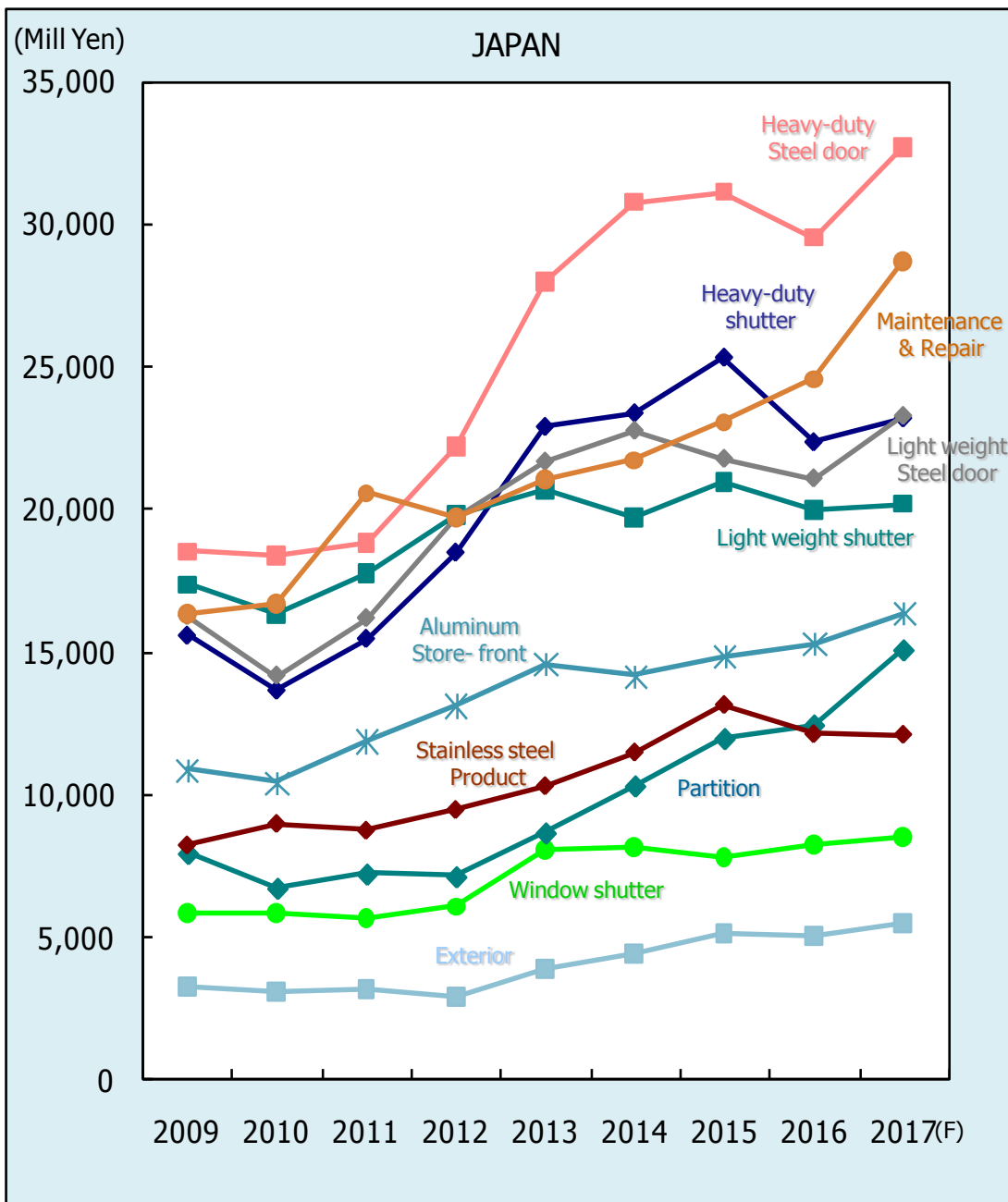
1) The relevant financial periods for each entity are as follows:

2) Figures are round off. &lt; + &gt; is for increase, &lt; - &gt; is for decrease from the previous year.

3) Each figure by entities is before consolidation adjustment.

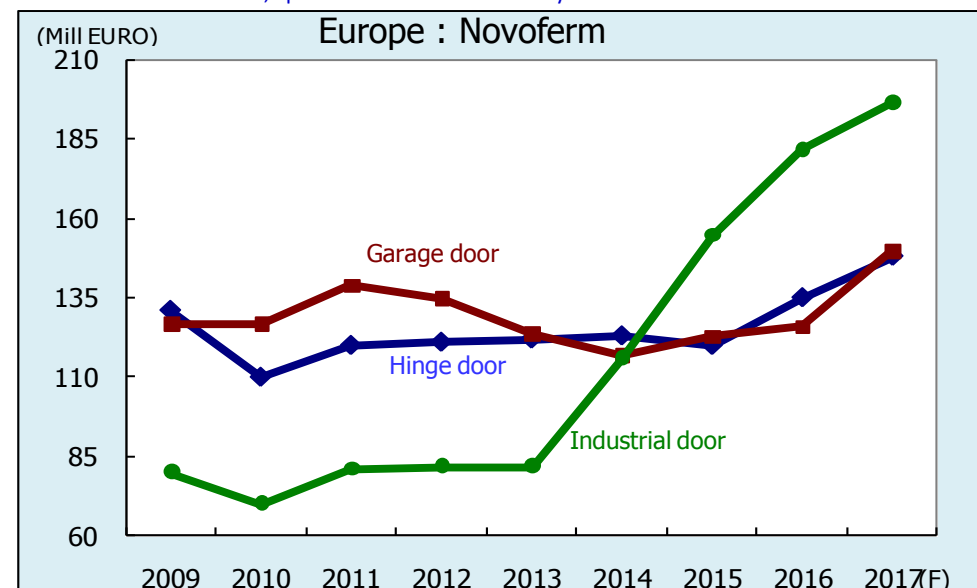
4) Forex rate is changed from end of the term to term average.

## 2. Sales Trend of Main Products (Japan, USA, Europe)



\*Door sales Include Installation & Service(ISD) sales.

\*Due to reclassification, operator sales are shown only after 2014.





### 3. Japan : Order Intake & Net Sales by Products (Sanwa Shutter)

JPYm・%

		FY2016										FY2017(F)									
		1H			2H			Full Year				1H			2H			Full Year			
		Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total	Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total
Rolling Shutters	Lightweight	<0.8> 13,889	<2.4> 13,412	17.8	<-3.9> 13,318	<-8.1> 13,476	13.3	<-1.5> 27,207	14.1	<-3.2> 26,889	15.3	<-0.6> 13,800	<2.9> 13,800	17.3	<8.9> 14,500	<6.8> 14,400	13.1	<4.0> 28,300	13.6	<4.9> 28,200	14.9
	Heavy-duty	<5.0> 18,466	<-3.2> 14,287	19.0	<-6.7> 17,026	<-6.4> 18,752	18.6	<-1.0> 35,493	18.4	<-5.0> 33,040	18.7	<7.2> 19,800	<4.3> 14,900	18.7	<18.6> 20,200	<12.0> 21,000	19.1	<12.7> 40,000	19.3	<8.7> 35,900	18.9
	Sub Total	<3.1> 32,355	<-0.6> 27,700	36.8	<-5.5> 30,344	<-7.1> 32,229	31.9	<-1.2> 62,700	32.5	<-4.2> 59,929	34.0	<3.8> 33,600	<3.6> 28,700	36.0	<14.4> 34,700	<9.8> 35,400	32.2	<8.9> 68,300	32.9	<7.0> 64,100	33.8
Shutter-related Products	Overhead Doors	<6.8> 3,411	<11.2> 3,010	4.0	<3.7> 3,519	<2.0> 3,750	3.7	<5.2> 6,931	3.6	<5.9> 6,761	3.8	<5.5> 3,600	<3.0> 3,100	3.9	<13.6> 4,000	<9.3> 4,100	3.7	<9.6> 7,600	3.7	<6.5> 7,200	3.8
	Others	5,699	5,003	6.7	5,937	6,141	6.1	11,637	6.0	11,145	6.3	6,000	5,000	6.3	6,300	6,400	5.8	12,300	5.9	11,400	6.0
	Sub Total	<-1.3> 9,111	<8.1> 8,013	10.7	<-0.3> 9,457	<-8.0> 9,892	9.8	<-0.8> 18,569	9.6	<-1.4> 17,906	10.2	<5.4> 9,600	<1.1> 8,100	10.2	<8.9> 10,300	<6.1> 10,500	9.6	<7.2> 19,900	9.6	<3.9> 18,600	9.8
Doors	Comm. Bldgs/ Condominiums	<-0.3> 29,136	<-5.3> 19,457	25.9	<7.6> 32,828	<-4.0> 31,872	31.6	<3.7> 61,965	32.1	<-4.5> 51,330	29.1	<5.4> 30,700	<8.4> 21,100	26.5	<6.9> 35,100	<12.6> 35,900	32.7	<6.2> 65,800	31.7	<11.0> 57,000	30.1
	Residential	<18.0> 2,205	<17.9> 2,203	2.9	<14.1> 2,325	<14.0> 2,327	2.3	<15.9> 4,531	2.3	<15.9> 4,530	2.6	<4.3> 2,300	<4.4> 2,300	2.9	<7.5> 2,500	<7.4> 2,500	2.3	<5.9> 4,800	2.3	<5.9> 4,800	2.5
	Sub Total	<0.8> 31,341	<-3.4> 21,660	28.8	<8.0> 35,154	<-2.9> 34,200	33.9	<4.5> 66,496	34.5	<-3.1> 55,860	31.7	<5.3> 33,000	<8.0> 23,400	29.4	<7.0> 37,600	<12.3> 38,400	34.9	<6.2> 70,600	34.0	<10.6> 61,800	32.6
Window-related Products		<3.6> 4,239	<2.9> 4,211	5.6	<8.0> 4,537	<7.7> 4,552	4.5	<5.8> 8,777	4.6	<5.4> 8,763	5.0	<3.8> 4,400	<4.5> 4,400	5.5	<5.8> 4,800	<3.2> 4,700	4.3	<4.8> 9,200	4.4	<3.8> 9,100	4.8
Exterior Fittings		<3.6> 2,414	<7.1> 2,267	3.0	<7.5> 2,643	<1.0> 2,567	2.5	<5.6> 5,058	2.6	<3.8> 4,834	2.7	<-0.6> 2,400	<7.2> 2,430	3.0	<5.9> 2,800	<7.1> 2,750	2.5	<2.8> 5,200	2.5	<7.2> 5,180	2.7
Others	Partitions	<4.4> 6,553	<11.2> 4,874	6.5	<6.1> 6,573	<-0.9> 7,434	7.4	<5.2> 13,126	6.8	<3.6> 12,309	7.0	<11.4> 7,300	<10.8> 5,400	6.8	<18.7> 7,800	<4.9> 7,800	7.1	<15.0> 15,100	7.3	<7.2> 13,200	7.0
	Stainless-Steel Entrances	<22.2> 3,241	<14.8> 2,567	3.4	<9.2> 3,880	<9.5> 4,224	4.2	<14.7> 7,121	3.7	<11.4> 6,792	3.9	<4.9> 3,400	<-18.2> 2,100	2.6	<0.5> 3,900	<-7.7> 3,900	3.5	<2.5> 7,300	3.5	<-11.7> 6,000	3.2
	Aluminum Fronts	<22.5> 1,002	<-7.9> 762	1.0	<53.9> 1,373	<38.9> 1,250	1.2	<38.9> 2,376	1.2	<16.5> 2,013	1.1	<9.7> 1,100	<44.2> 1,100	1.4	<-5.4> 1,300	<4.0> 1,300	1.2	<1.0> 2,400	1.2	<19.2> 2,400	1.3
	Automatic door operators	<5.1> 1,468	<-3.2> 1,306	1.7	<12.8> 1,694	<8.9> 1,760	1.7	<9.1> 3,163	1.6	<3.4> 3,067	1.7	<9.0> 1,600	<22.4> 1,600	2.0	<6.2> 1,800	<2.3> 1,800	1.6	<7.5> 3,400	1.6	<10.9> 3,400	1.8
	Others	2,562	1,870	2.5	2,908	2,901	2.9	5,470	2.8	4,771	2.7	2,600	2,470	3.1	3,400	3,350	3.0	6,000	2.9	5,820	3.1
	Sub Total	<7.2> 14,828	<-5.4> 11,382	15.1	<9.5> 16,430	<4.7> 17,571	17.4	<8.4> 31,258	16.2	<0.5> 28,953	16.4	<7.9> 16,000	<11.3> 12,670	15.9	<10.8> 18,200	<3.3> 18,150	16.5	<9.4> 34,200	16.5	<6.4> 30,820	16.3
Total		<2.5> 94,291	<-0.9> 75,235	100.0	<2.9> 98,568	<-3.1> 101,013	100.0	<2.7> 192,860	100.0	<-2.2> 176,248	100.0	<5.0> 99,000	<5.9> 79,700	100.0	<10.0> 108,400	<8.8> 109,900	100.0	<7.5> 207,400	100.0	<7.6> 189,600	100.0
Commercial Building Materials		<1.4> 60,003	<-2.1> 43,216	57.4	<1.5> 62,251	<-5.3> 64,504	63.9	<1.4> 122,255	63.4	<-4.1> 107,720	61.1	<6.7> 64,000	<3.7> 44,800	56.2	<9.4> 68,100	<8.4> 69,900	63.6	<8.1> 132,100	63.7	<6.5> 114,700	60.5
Shop-related Materials		<0.9> 11,720	<1.0> 10,986	14.6	<-0.7> 11,463	<-6.9> 11,575	11.5	<0.1> 23,184	12.0	<-3.2> 22,562	12.8	<-3.6> 11,300	<2.9> 11,300	14.2	<2.9> 11,800	<1.9> 11,800	10.7	<-0.4> 23,100	11.1	<2.4> 23,100	12.2
Residential Housing Materials		<6.1> 9,196	<6.7> 9,017	12.0	<8.4> 9,900	<6.3> 9,822	9.7	<7.3> 19,097	9.9	<6.5> 18,839	10.7	<2.2> 9,400	<4.2> 9,400	11.8	<4.0> 10,300	<4.9> 10,300	9.4	<3.2> 19,700	9.5	<4.6> 19,700	10.4
Maintenance & Repair		<8.5> 11,760	<9.0> 11,128	14.8	<6.9> 13,046	<4.3> 13,239	13.1	<7.6> 24,806	12.9	<6.4> 24,368	13.8	<8.0> 12,700	<12.3> 12,500	15.7	<22.6> 16,000	<20.9> 16,000	14.6	<15.7> 28,700	13.8	<17.0> 28,500	15.0
Others		1,610	886	1.2	1,906	1,870	1.9	3,516	1.8	2,757	1.6	1,600	1,700	2.1	2,200	1,900	1.7	3,800	1.8	3,600	1.9
Amount		Amount			Amount			Y/Y				Amount			Amount			Y/Y			
Outstanding Order Intake		96,018			95,805			17,633				115,105			113,605			17,800			
Work-in-process		20,736			15,939			809				26,800			20,400			4,460			

1) &lt; &gt; = % year on year 2) Outstanding Order Intake = Unordered, unpurchased and work-in-process

## 4. USA : Net Sales by products (ODC)

USDk, <Δ%yoy>

		FY2016						FY2017(F)					
		1H		2H		Full Year		1H		2H		Full Year	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Door	<9.0> 250,984	56.1	<5.6> 286,076	57.1	<7.2> 537,061	56.6	<6.5> 267,200	56.0	<6.2> 303,900	57.2	<6.3> 571,100	56.7
	Install & Service	<2.7> 57,672	12.9	<1.7> 65,376	13.1	<2.2> 123,049	13.0	<4.6> 60,300	12.6	<7.8> 70,500	13.3	<6.3> 130,800	13.0
	Operator	<-5.8> 79,771	17.8	<-4.9> 88,774	17.7	<-5.3> 168,545	17.8	<8.7> 86,700	18.2	<5.0> 93,200	17.6	<6.7> 179,900	17.8
	Automatic Door	<8.5> 39,496	8.8	<16.8> 44,366	8.9	<12.7> 83,862	8.8	<9.6> 43,300	9.1	<7.3> 47,600	9.0	<8.4> 90,900	9.0
	Truck & Trailer Door	<1.8> 19,230	4.3	<-3.1> 16,361	3.3	<-0.5> 35,592	3.8	<1.4> 19,500	4.1	<-3.4> 15,800	3.0	<-0.8> 35,300	3.5
<b>Net Sales</b>		<4.9> 447,155	100.0	<3.6> 500,955	100.0	<4.2> 948,110	100.0	<6.7> 477,000	100.0	<6.0> 531,000	100.0	<6.3> 1,008,000	100.0
<b>Operating Income</b>		<179.3> 22,237	5.0	<10.1> 49,311	9.8	<35.6> 71,548	7.5	<12.4> 25,000	5.2	<7.5> 53,000	10.0	<9.0> 78,000	7.7
<b>Current Income</b>		<246.2> 21,452	4.8	<7.6> 46,705	9.3	<37.4> 68,157	7.2	<5.4> 22,600	4.7	<7.9> 50,400	9.5	<7.1> 73,000	7.2
<b>Profit attributable to owners of the parent</b>		<271.7> 13,876	3.1	<12.2> 30,434	6.1	<43.6> 44,311	4.7	<3.0> 14,300	3.0	<5.8> 32,200	6.1	<4.9> 46,500	4.6

\*From FY2016 "install & service " is separated out from "Door".

\* Redefined operator sales only reclassifying some operator sales furmenty included in door sales.

## 5. Europe : Net Sales by products (NF)

EURk, <Δ%yoy>

		FY2016						FY2017(F)					
		1H		2H		Full Year		1H		2H		Full Year	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Hinge Door	<24.9> 67,146	32.0	<1.7> 67,594	29.0	<12.1> 134,740	30.4	<8.1> 72,600	30.1	<11.4> 75,300	29.8	<9.8> 147,900	29.9
	Garage Door	<9.7> 62,577	29.8	<-3.5> 63,962	27.5	<2.6> 126,539	28.6	<18.6> 74,200	30.8	<17.9> 75,400	29.8	<18.2> 149,600	30.3
	Industrial Door	<12.1> 80,205	38.2	<21.0> 101,389	43.5	<16.9> 181,594	41.0	<17.4> 94,200	39.1	<0.9> 102,300	40.4	<8.2> 196,500	39.8
<b>Net Sales</b>		<15.1> 209,928	100.0	<7.6> 232,944	100.0	<11.0> 442,872	100.0	<14.8> 241,000	100.0	<8.6> 253,000	100.0	<11.5> 494,000	100.0
<b>Operating Income</b>		<+> 7,083	3.4	<-17.9> 11,050	4.7	<44.4> 18,134	4.1	<5.9> 7,500	3.1	<31.2> 14,500	5.7	<21.3> 22,000	4.5
<b>Current Income</b>		<+> 6,010	2.9	<-20.6> 10,038	4.3	<45.2> 16,049	3.6	<9.8> 6,600	2.7	<33.5> 13,400	5.3	<24.6> 20,000	4.0
<b>Profit attributable to owners of the parent</b>		<+> 1,946	0.9	<-16.5> 6,419	2.8	<40.3> 8,365	1.9	<192.9> 5,700	2.4	<44.9> 9,300	3.7	<79.3> 15,000	3.0

## 6. Key Figures & Ratios

Key Figures & Ratios (Consolidated)		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Net Sales	(JPYm)	237,295	248,214	265,913	311,957	339,045	365,615	353,922	383,000
Operating Income	(JPYm)	4,562	8,855	14,174	20,649	26,334	26,870	26,440	30,300
(Before goodwill amortization)		(6,078)							
Net Income	(JPYm)	-2,443	3,297	7,182	10,161	12,857	14,627	17,070	19,200
(Before goodwill amortization)		(1,887)							
Operating Income Ratio	(JPYm)	1.9%	3.6%	5.3%	6.6%	7.8%	7.3%	7.5%	7.9%
(Before goodwill amortization)		(2.6%)							
ROE : Net Income attributable to owners of the parent company/Shareholders' Equity		-2.7%	3.8%	7.9%	9.6%	10.7%	11.4%	12.7%	13.5%
(Before goodwill amortization)		(2.1%)							
Shareholders' Equity Ratio (term end)		39.3%	37.7%	40.1%	40.4%	39.1%	41.7%	43.0%	44.4%
Net Assets (term end)	(JPYm)	86,021	85,522	97,134	113,956	126,748	130,334	139,906	145,229
Total Assets (term end)	(JPYm)	218,933	226,579	241,771	281,917	323,327	310,269	323,393	325,000
Interest Bearing Liabilities (term end)	(JPYm)	59,892	61,607	60,799	69,153	88,484	70,798	74,739	65,394
Debt-Equity Ratio:	(times)	0.70	0.72	0.63	0.61	0.70	0.54	0.53	0.45
Interest Bearing Liabilities / Shareholders' Equity									
SVA(Sanwa Value Added)	(JPYm)	-2,661	-1,201	1,870	5,410	7,770	8,290	8,057	10,500
EPS : Earnings per share	(JPY)	-10.2	13.7	29.9	42.4	54.1	63.1	74.6	85.3
(Before goodwill amortization)		(7.9)							
Number of shares issued (term avg.)	(K shares)	240,321	240,306	239,961	239,768	237,694	231,923	228,782	225,119

1. SVA refers to Sanwa's original indicator, following EVA concept.

2. FY2010 Net Income (Before depreciation and amortization) excluded depreciation of goodwill and surcharge ordered by JapanFair Trade Commission.

## 7. Capital Expenditure & Depreciation

JPYm

	FY2015		FY2016		FY2017(F)	
	1H	Full Year	1H	Full Year	1H	Full Year
<b>Capital Expenditures</b>	<b>4,073</b>	<b>8,127</b>	<b>3,067</b>	<b>8,096</b>	<b>5,660</b>	<b>11,000</b>
Sanwa Holdings	129	456	240	723	290	2,200
Sanwa Shutter	1,037	2,039	748	2,616	2,200	3,087
Japanese Subsidiaries	463	843	81	124	256	449
Forex rate	120.48	121.03	111.80	109.44	110.00	110.00
<USD k>	<\$14,396>	<\$25,213>	<\$11,475>	<\$22,818>	<\$20,000>	<\$32,500>
ODC (U.S.A.)	1,734	3,051	1,282	2,497	2,200	3,575
Forex rate	133.83	133.69	124.36	120.63	120.00	120.00
<EUR k>	<€5,294>	<€12,989>	<€5,733>	<€17,699>	<€5,950>	<€14,070>
Novoform (Europe)	708	1,736	712	2,135	714	1,688
<b>Depreciation &amp; Amortization</b>	<b>4,520</b>	<b>9,436</b>	<b>4,211</b>	<b>8,622</b>	<b>4,500</b>	<b>9,850</b>
Sanwa Holdings	242	495	236	479	236	490
Sanwa Shutter	1,229	2,621	858	1,848	890	2,000
Japanese Subsidiaries	65	146	96	206	125	295
<\$11,659>	<\$24,729>	<\$13,727>	<\$27,915>	<\$14,700>	<\$32,250>	
ODC (U.S.A.)	1,404	2,993	1,534	3,055	1,617	3,547
<€6,383>	<€13,214>	<€6,604>	<€14,097>	<€7,200>	<€16,517>	
Novoform (Europe)	854	1,766	821	1,700	864	1,982
Amortization of goodwill	724	1,414	664	1,332	767	1,535
<b>Property, Plant and Equipment</b>	<b>2,423</b>	<b>5,124</b>	<b>2,500</b>	<b>5,150</b>	<b>2,751</b>	<b>6,282</b>
Sanwa Holdings	241	493	235	477	236	489
Sanwa Shutter	490	1,118	510	1,133	625	1,450
Japanese Subsidiaries	43	101	73	160	102	249
<\$8,131>	<\$17,084>	<\$9,313>	<\$18,912>	<\$10,200>	<\$22,800>	
ODC (U.S.A.)	979	2,067	1,041	2,069	1,122	2,508
<€4,987>	<€10,047>	<€5,143>	<€10,853>	<€5,550>	<€13,217>	
Novoform (Europe)	667	1,343	639	1,309	666	1,586
<b>Intangibles</b>	<b>2,097</b>	<b>4,312</b>	<b>1,711</b>	<b>3,472</b>	<b>1,749</b>	<b>3,567</b>
Sanwa Holdings	0	1	0	1	0	1
Sanwa Shutter	739	1,503	347	715	265	550
Japanese Subsidiaries	21	44	23	46	23	45
<\$3,528>	<\$7,644>	<\$4,414>	<\$9,003>	<\$4,500>	<\$9,450>	
ODC (U.S.A.)	425	925	493	985	495	1,039
<€1,395>	<€3,167>	<€1,461>	<€3,244>	<€1,650>	<€3,300>	
Novoform (Europe)	186	423	181	391	198	396
Amortization of goodwill	724	1,414	664	1,332	767	1,535



### Showroom Reopens with Hands-On Exhibits Renovation of Head Office Showroom



The head office showroom in Tokyo reopened on April 10. Visitors can see the Sanwa Group's diverse product lines, from shutters and doors to partitions, automatic doors, mail boxes and other entrance products, as well as garage doors outside the showroom.

Take a virtual tour of the showroom with this QR code.



### Waterproof Shutters Adopted for Ground-Level Entrances to Tokyo Metro Subway Stations



Tokyo Metro Co., Ltd. is installing a total of 10 Waterguard Waterproof Shutters at three subway stations in Tokyo (Kanamecho, Asakusa, Suehirocho). Installation of the shutters began in February 2017. During flooding, the waterproof shutters can quickly be lowered with the press of one button to prevent the inflow of surface water, and can withstand flood heights of up to 2.5 meters.



### "Low-rise X" for Low-Rise Buildings Launched with Added Specs



In January 2017, Showa Front began sales of the "Mullion-Type 'Single Plate Glass Specification,'" the "Back Mullion Type" and other additions to the "Low-rise X" series of curtain walls for low-rise buildings. Standardized finishing makes it possible to switch between different types.



### Transfer of Construction Materials Business of Nihon Spindle Manufacturing Co., Ltd.



In April 2017, the Sanwa Group took over the building materials business of Nihon Spindle Manufacturing Co., Ltd., which focuses on partitions for schools. The business will play a role in the Group's partition business as a new consolidated subsidiary, Sanwa Spindle Partition.



The Genuine. The Original.



### Launch of garage door "Impression Steel Collection"



ODC launched garage door "Impression Steel Collection" in October 2016. The advantages for it are large windows and high heat insulation capacity, its panels made by foamed-in-place polyurethane insulation.

The Genuine. The Original.



### TODOCO celebrated its 60<sup>th</sup> years in business in 2017



TODOCO, truck doors business of ODC, was established in 1957 and celebrated its 60<sup>th</sup> years in business in 2017. 20 years have passed since TODOCO joined SANWA group.



### Launch of fire proof door "Novo Porta Plano"



Novoferm Group launched fire proof door "Novo Porta Plano", satisfied with new fire-resistance regulation. NF will expand lineup of "Novo Porta" series, which has launched since January 2015.



### Novoferm Group participated trade shows "Artibat" and "Equipbaie" in France



Novoferm Group participated trade show "Artibat" and "Equipbaie" in France. "Artibat" in Rennes is the largest construction fair in region (Oct. 2016). "Equipbaie" in Paris is the only show in France specifically aimed at windows, doors, shutters and solar protection sectors (Nov. 2016).